MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

DOT5018 – ORGANISATIONAL THEORY
(All sections / Groups)

20 OCTOBER 2018
2.30 p.m - 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 10 pages with 2 sections.

2. For section A, shade your answers on the OMR sheet provided.

3. For section B, write your answers on the answer booklet provided.

4. Answer all the questions.

SECTION A [40 Marks]

1. _____ refers to the study of how organisations function and how they affect and are affected by the environment in which they operate.

   a. Organisational theory
   b. Organisational culture
   c. Organisational behaviour
   d. Organisational environment

2. Which of the following terms refers to the process by which managers select and manage aspects of structure and culture so an organisation can control the activities necessary to achieve its goals?

   a. Arbitration.
   b. Competitive analysis.
   c. Organisational design.
   d. Environmental scanning.

3. Coca-Cola is an organisation that takes pride in long-term commitment to employees. Moreover, the organisation leverages a worldwide team that is rich in diverse people, talent and ideas. On the other hand, Pepsi is an organisation that is very political and competitive. Based on the given statement, these are the differences in organisational _____ .

   a. design
   b. culture
   c. structure
   d. environment

4. Which of the following refers to the owners of an organisation, and, as such, their claim on organisational resources is often considered superior to the claims of other inside stakeholders?

   a. Customers.
   b. Employees.
   c. Trade unions.
   d. Shareholders.

5. Zarifah is a manager in a manufacturing company that produces electrical products. She has direct responsibility for the production of goods and services. Therefore, Zarifah is considered to be holding a(n) _____ role.

   a. line
   b. staff
   c. integrative
   d. distributive

6. Vice presidents belong to _____ .

   a. trusteeship
   b. corporate management
   c. divisional management
   d. functional management

Continued...

7. As the manager, Chong decides to locate a manufacturing plant in a location that maximises the overall benefits to the organisation's stakeholders.

    Based on the above scenario. Which model of ethics is being used by Chong?

    a. Justice.   c. Moral rights.
    b. Utilitarian.   d. Mutual association.

8. Burger King is trying to determine whether it should make its own fast-food containers or buy them from international suppliers. This decision is a part of the _____ management.

    a. global supply chain   c. symbiotic interdependency
    b. structural environment   d. competitive interdependency

9. Nithiya owns a shoe company. She gets the materials from many suppliers around the world. At times, she finds it difficult to control or collect information from her suppliers. This shows that the organisation's environment is _____.

    a. rich   c. dynamic
    b. natural   d. complex

10. _____ is an agreement that commits two or more companies to share their resources to develop joint new business opportunities.

    a. Cartel   c. Strategic alliance
    b. Collusion   d. Licensing agreement

11. Which of the following is the process by which an organisation allocates people and resources to organisational tasks and establishes the task and authority relationships that allow the organisation to achieve its goals?

    a. Integration.   c. Standardisation.
    b. Differentiation.   d. Decentralisation.

12. Maria works in a(n) _____ function which is responsible for recruiting and training employees to improve their skills.

    a. adaptive   c. managerial
    b. production   d. maintenance

Continued...

13. Julie is a salesperson for a cell-phone accessories manufacturer. She reports to the sales manager of the cell-phone screen division. Identify the integrating technique used in this situation.

    a.   Liaison role.   c.   Integrating role.
    b.   Direct contact.   d.   Hierarchy of authority.

14. Ahmad works in an organisation where all the important decisions are made by top-level managers. This organisation is said to be _____.

    a.   centralised   c.   differentiated
    b.   formalised   d.   decentralised

15. Which of the following refers to the characteristic way in which newcomers respond to a situation?

    a.   Socialisation.   c.   Internalisation.
    b.   Formalisation.   d.   Role orientation.

16. A computer company does not have an established sequence of steps for socialising newcomers. The training programs are tailored to individual needs. This refers to _____ socialisation tactics.

    a.   fixed   c.   random
    b.   formal   d.   collective

17. The rights of the managers to receive large sums of money if they are fired when their company is taken over refers to _____.

    a.   golden parachutes   c.   lifetime employment
    b.   severance payments   d.   notification of layoffs

18. Arjun works for an automobile manufacturing company. Recently, he informed the government about Jason's (the manager in the organisation) illegal behaviour. Arjun's action is known as _____.

    a.   moonlighting   c.   circular logrolling
    b.   whistle-blowing   d.   surface bargaining

Continued...

19. _____ refers to the pattern of decisions and actions that managers take to use core competences to achieve a competitive advantage and to outperform competitors.

    a. Strategy   c. Value engineering
    b. Goal   d. Product formation chain

20.

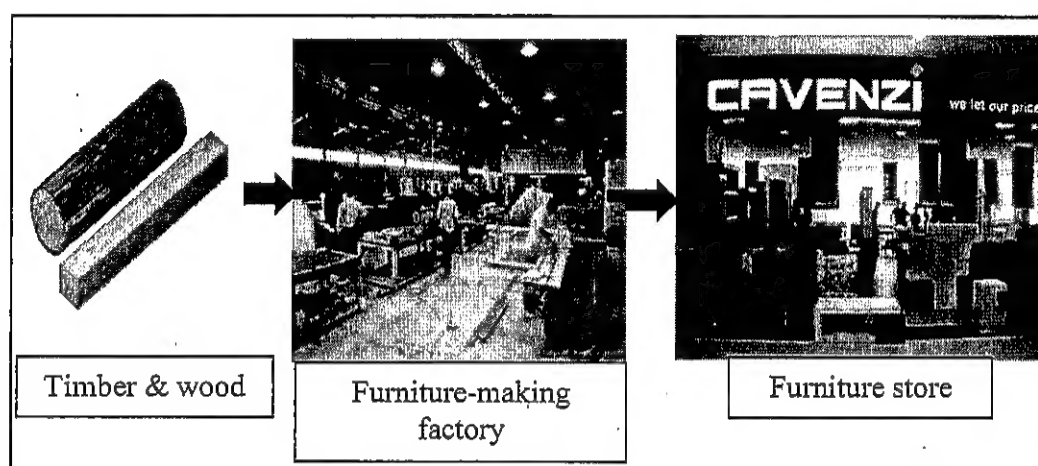| Timber & wood | Furniture-making factory | Furniture store |

Figure 1

Based on Figure 1 above, the furniture manufacturer decides to acquire the furniture store that sells its furniture. This is an example of a _____.

    a. franchise   c. forward vertical integration
    b. market penetration   d. sequential horizontal integration

21. Tan owns a clothing business and he is doing very well. However, he decides to expand his business by entering a completely new domain. This scenario refers to _____.

    a. outsourcing   c. product development
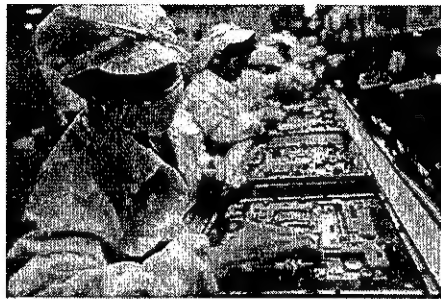   b. vertical integration   d. unrelated diversification

Continued...

22.

Figure 2

Based on Figure 2 above, the techniques developed by assembly-line workers are examples of competences and technology at the _____ level.

a. functional   c. environmental
b. organisational   d. external resource

23. According to Charles Perrow, _____ underlies the difference between routine and nonroutine or complex tasks and technologies.

a. task variability and task analysability
b. task variability and task interdependence
c. task analysability and technical complexity
d. task interdependence and task analysability

24. Mei Ling is a manufacturer of specialised or customised shoe products. This is an example of _____.

a. craftswork   c. routine manufacturing
b. nonroutine research   d. engineering production

25. Prada handbags meets customer demand by sending computer requests from stores to the manufacturing departments as handbags sell out in stores. Prada's manufacturing department then pulls in raw materials, such as leather and zippers, from suppliers as it needs them. This information indicates that Prada uses _____:

a. traditional mass production
b. computer-aided designing (CAD)
c. computer-aided-materials management (CAMM)
d. six sigma strategy for managing quality of the products

26. Which of the following refers to organisational inertia?

     a. Increase the diversity of its workforce.
     b. Resist change and maintain the status quo.
     c. Decrease cost of production by using economies of scale.
     d. Increasing the number of products produced so as to take advantage of
         economies of scope.

27. Which of the following statements is **TRUE** regarding the goal of "reengineering"?

     a. To improve businesses processes.
     b. To decrease the bargaining power of the customers.
     c. To achieve continuous, incremental improvements in organisational functions.
     d. To obtain resources from the external environment at the lowest possible costs.

28. Anitha is the finance manager in her organisation. She observes that the return-on-
     investment (ROI) for her organisation is only 10 percent compared to the industry
     average of 20 percent. She informs top managers about her observation.

     Based on the above scenario, this organisation is in which stage of the action
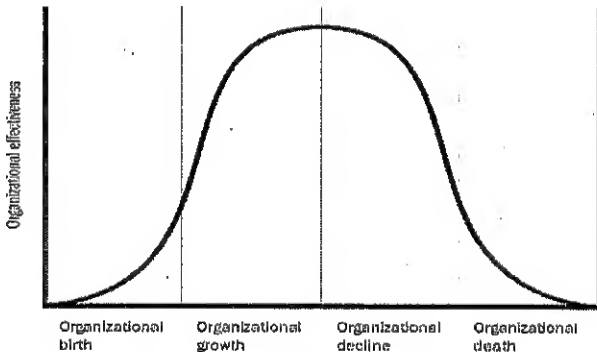   research process?

     a. Diagnosing the organisation.
     b. Selecting a strategy for change.
     c. Eliminating obstacles to change.
     d. Determining the desired future action.

29.

Figure 3

Figure 3 above is known as a model of the _____.

     a. organisational life cycle   c. organisational metamorphosis
     b. organisational integration   d. organisational decentralisation

Continued...

30. Based on Figure 3, which of the following stages is associated with the greatest chance of failure?

   a. Organisational birth.
   b. Organisational death.
   c. Organisational growth.
   d. Organisational decline.

31. _____ isomorphism exists when organisations intentionally imitate one another to increase their legitimacy.

   a. Natural
   b. Mimetic
   c. Coercive
   d. Normative

32. _____ refers to the process of responding to a problem by searching for and selecting a solution or course of action that will create the most value for organisational stakeholders.

   a. Organisational learning
   b. Organisational isomorphism
   c. Organisational development
   d. Organisational decision-making

33. With reference to James March's organisational learning strategies, which of the following involves organisational members searching for and experimenting with new kinds or forms of organisational activities and procedures to increase effectiveness?

   a. Association.
   b. Exploration.
   c. Exploitation.
   d. Reciprocation.

34. By developing a knowledge management system, managers want to provide employees with a step by step procedure on how to solve problems. The reason why they want to do this is because most of their problems are recurring events, and standard procedures work well.

   Based on the given information above, the organisation is planning to implement a _____ approach to knowledge management.

   a. codification
   b. personalisation
   c. systems thinking
   d. learning organisation

35. Which of the following types of property rights are typically granted to people who create intellectual property, such as written or visual works such as books, videogames, poems, and songs?

   a. Patent.
   b. Copyright.
   c. Trademark.
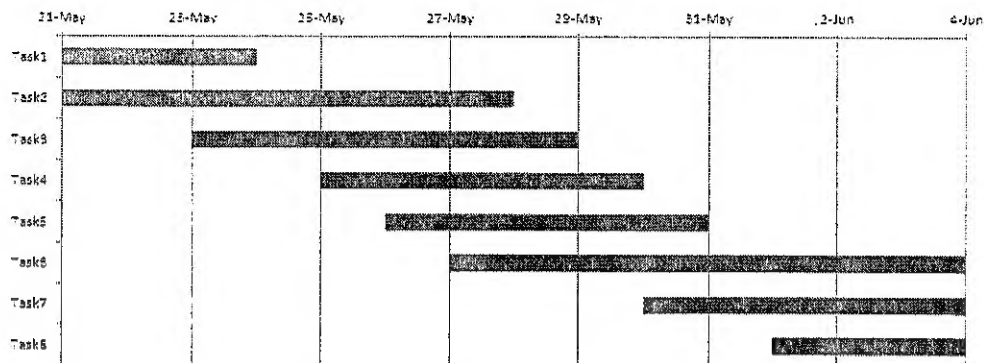   d. Industrial design right.

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36.

Figure 4

Figure 4 above shows a chart in which there are series of horizontal lines that shows the amount of work done in certain period of time. This chart is called as _____.

a. Pie chart   c. Gantt chart
b. Line chart   d. PERT chart

37. Farah is a mid-level functional manager who has lower status than the head of a functional department and she is not given control over human, financial, and functional resources. Based on the given description, Farah is a _____.

a. business agent   c. product champion
b. boundary spanner   d. lightweight team leader

38. One manager (Akmal) supports the other manager (Boon) on an issue of interest to Boon in return for Boon supporting Akmal on an issue of interest to Akmal. Based on the given information, it shows that these managers are _____.

a. creating a coalition
b. decreasing nonsubstitutability
c. attempting to obtain referent power
d. creating a situation that is most likely to result in conflict

39. The term 'organisational politics' consists of activities taken within organisations to _____ to obtain one's preferred outcomes in a situation in which there is uncertainty or disagreement about choices.

a. acquire, develop, and use power
b. implement total quality management
c. decentralise the decision-making authority
d. improve the ability of the organisation to innovate

Continued...

40. Controlling the agenda is an example of _____.

    a. organisational rights   c. tactics for playing politics
    b. empowering employees   d. decentralising decision-making

SECTION B [60 Marks]

QUESTION 1

(a) Define "*core competences*" and provide **ONE (1)** example.

(3 marks)

(b) Sudharshan is a toy manufacturer. His business is very successful in his home country. Therefore, he would like to expand his business globally. As an organisational theory expert, you are required to explain the **FOUR (4)** global expansion strategies to Sudharshan.

(8 marks)

(c) Technical complexity refers to the extent to which a production process can be programmed so that it can be controlled and made predictable. Explain the **TWO (2)** technical complexity introduced by Joan Woodward in her technical complexity theory.

(4 marks)
(Total: 15 marks)

QUESTION 2

(a) Define "*organisational change*" and provide **ONE (1)** example of organisational change.

(3 marks)

(b) Aniq works in V&G organisation. Currently, the organisation's overall performance is not so good. Therefore, top management has decided to implement some changes to improve its performance and to enhance its survival. However, the employees in the organisation are not ready and they are resisting the new changes. Based on organisational theory, resistance to change lowers an organisation's effectiveness and reduces its chances of survival.
With reference to the above scenario, answer the following questions:

    (i) What are the **FOUR (4)** levels of resistance to change.

(4 marks)

    (ii) Explain any **FOUR (4)** organisational development (OD) techniques to help the organisation to deal with resistance to change.

(8 marks)
(Total: 15 marks)

Continued...

QUESTION 3

(a)   Define the following and provide **ONE (1)** example for each:
       (i)   Programmed decisions
       (ii)   Nonprogrammed decisions

                                                                        (4 marks)

(b)   With reference to the Rational Decision Making Model, identify the **THREE (3)** steps that are involved in decision making.

                                                                        (3 marks)

(c)   Suggest any **TWO (2)** methods of improving organisational decision making and learning.

                                                                        (2 marks)

(d)   Briefly explain the **THREE (3)** factors that may reduce organisational learning over time.

                                                                        (6 marks)
                                                               (Total: 15 marks)

QUESTION 4

(a)   Organisational conflict can escalate rapidly and affect an organisation's culture. Managing conflict is an important priority. With reference to Pondy's model of organisational conflict, answer the following questions:

       (i)   Identify the **FIVE (5)** stages of organisational conflict.

                                                                        (5 marks)

       (ii). Provide any **FOUR (4)** sources of organisational conflict.

                                                                        (4 marks)

(b)   Explain any **THREE (3)** sources of organisational power.

                                                                        (6 marks)
                                                               (Total: 15 marks)

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